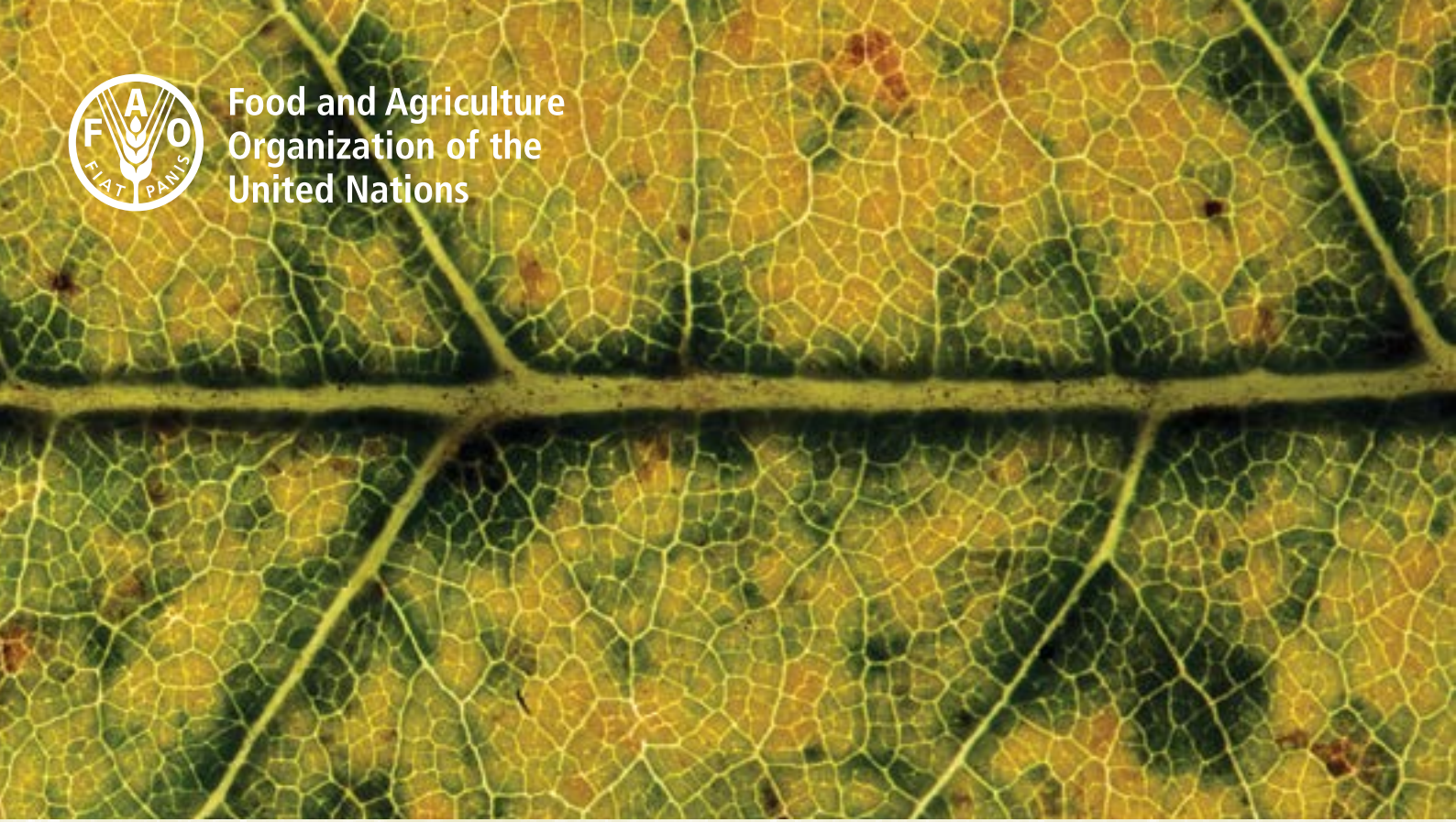


Food and Agriculture Organization of the United Nations

FAO support to finance forest and landscape restoration

SHOUT
SHARE
IT

The size of the challenge

How much does forest and landscape restoration cost?

International restoration targets are ambitious. Significant investment is required to meet these and other restoration needs. It is estimated that USD 36 billion per year will be needed to meet the Bonn Challenge target alone, and more than USD 318 billion per year must be invested to reach full land degradation neutrality. Such investments often exceed national budgets and therefore responsible and coordinated investments from the private sector are needed.

Bonn Challenge
2011–2030
300 million ha
USD 36 billion/year

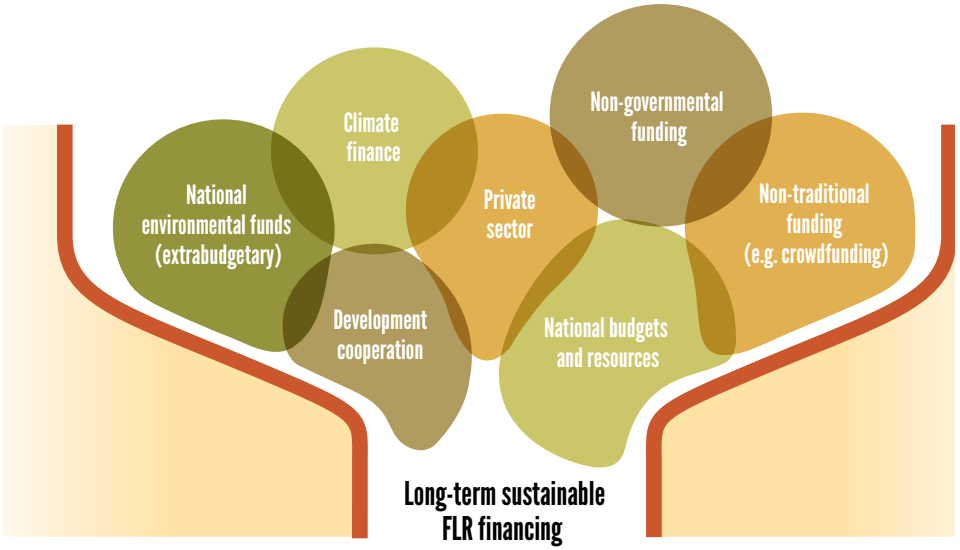
New York Declaration of Forests
2014–2030
350 million ha
USD 49 billion/year

Land Degradation Neutrality
(SDG target 15.3)
2015–2030
2 billion ha
USD 318 billion/year

Investment mechanisms to support forest and landscape restoration

Investment in forest and landscape restoration (FLR) comes from a variety of public, private and civil sources, and in multiple formats. These provide a range of diverse financial and market mechanisms that leverage financial support for the implementation of restoration activities. These investment mechanisms support landscape actors at different stages in the transition from restoration to sustainable practices.

To support the long-term sustainable financing of restoration, multiple sources of these mechanisms that are already investing in FLR need to be coordinated across the landscape and throughout the restoration process.



What we work on

The FAO Forest and Landscape Restoration Mechanism (FLRM) has been working with in-country partners to provide diverse support for partner financing needs and to develop innovative financing mechanisms to sustainably fund the implementation of restoration activities on the ground. These activities include:

Climate funds

Technical assistance to access a number of climate funds available to specifically finance restoration activities, including the Global Climate Fund (GCF) and the Landscape Degradation Neutrality (LDN) Fund.

Capacity building

- Providing training for projects on green finance and the development of bankable projects, ecosystem services valuation, incentives, the use of financial and market-based mechanisms to fund FLR activities, and the coordination of different funding sources.
- Facilitating a Community of Practice (CoP) for Local Finance for Forest and Landscape Restoration.
- Developing e-learning courses on finance and FLR: local finance mechanisms and developing bankable projects.

Development of bankable projects

Support through the identification of opportunities for business development and attracting additional investment.

Development of financial plans

Development of financial plans for FLR implementation, including support for:

- The development of project financial plans and access to diverse funding sources by mapping existing funding and identifying additional investment requirements and opportunities to develop bankable projects and sustainable value chains throughout the restoration process.
- Cross-sectoral dialogue, technical guidance and the adaptation of existing financial funds, policies and systems for targeted FLR investments. Current actions include:
  1. Value-chain development to enable the sustainability of investments in restoration and to in-build mechanisms that increase the value of restored and sustainably managed land and forest.
  2. Development of market-based mechanisms such as payments for ecosystem services (PES) to provide incentives for FLR implementation on the ground.
  3. The operationalization of national forest funds (NFFs) through the assessment of capacity and feasibility, and roadmaps to develop NFFs and enable them to channel finance for FLR activities.
  4. Development of integrated financing strategies, public-private partnerships and mechanisms that blend different funding sources for FLR investment.

Where we work

- Burkina Faso
- Cambodia
- Central African Republic
- Democratic Republic of the Congo
- Fiji
- Guinea
- Kenya
- Lebanon
- Madagascar
- Morocco
- Myanmar
- Niger
- Pakistan
- Philippines
- Sao Tome and Principe
- Vanuatu

Some examples

CAMBODIA

Providing technical assistance to support the Royal Government of Cambodia (RGC) to develop a national PES policy, including design and implementation in two pilot sites (Siem Reap and Preah Sihanouk Provinces) in collaboration with the United Nations Development Programme and Conservation International. This involved training on NFFs and PES, a study tour to Vietnam on innovative financing mechanisms and a PES feasibility assessment in the pilot sites. Discussions were also facilitated within the National PES Dialogue. An assessment of the potential to develop cashew nut value chains in the province of Siem Reap has also been conducted to support the financing of restoration activities.

NIGER

Strengthening technical and financial capacities in three municipalities to empower local communities to plan and finance restoration and sustainable land management activities. This included opening "green" investment windows within municipal budgets, funding income-generating activities at municipal level, cost and benefit assessment of FLR activities, and the development of bankable FLR projects to attract private-sector financing. A study on the Moringa value chain has also been conducted.

PAKISTAN

Supporting The Restoration Initiative (TRI) project in Pakistan, with a focus on restoration, protection and sustainable management of Chilgoza pine forests. This included district-and national-level trainings on ecosystem services valuation, incentives and PES, and a feasibility assessment of PES opportunities in the Chitral district to support restoration. Studies on value-chain development and the provision of tools and machines to improve opportunities for the Chilgoza nut value chain have also been conducted to enhance the resilience and socio-economic development of communities.

VANUATU

Providing technical assistance to develop Vanuatu's Forest and Landscape Restoration Strategy (FLRS) document, and supporting the enabling conditions for its implementation. The FLRS has ambitious targets, aiming at restoring 25 000 ha over the next ten years and includes strengthening the coordination of stakeholders, building capacity for community-level restoration (on planting and assisted natural regeneration techniques for example), developing nurseries and supporting the development of alternative economic activities development. FAO is also gathering technical and financial support for the FLRS, which includes the development of attractive bankable FLR projects for active donors in the Pacific.

Read more and contact information

Engage and learn with others through the Local Finance for FLR Online Community of Practice
https://dgroups.org/fao/innovation/local-finance

Read the publication **Local financing mechanisms for forest and landscape restoration**
www.fao.org/documents/card/en/c/cb3760en

Access the e-learning course on **Sustainable financing of forest and landscape restoration**
https://elearning.fao.org/course/view.php?id=675

The Forest and Landscape Restoration Mechanism
Forests Division - Natural Resources and Sustainable Production
NFO-FLRM@fao.org
www.fao.org/in-action/forest-landscape-restoration-mechanism
Food and Agriculture Organization of the United Nations
Rome, Italy

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